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World Production and Trade

United States
Department of
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Foreign
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Service

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Weekly
Roundup

WR 47-88

Nov. 23, 1988

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

U.S. EXPORT SALES

U.S. Export Sales of Corn Lead 1988/89 Exports. Data from FAS's Export Sales Report show U.S. corn export sales for the current marketing year are running 20 percent above the year earlier. Grain sorghum exceeds the prior season by 8 percent and wheat by 5 percent. Sales of cotton and rice, on the other hand, continue about one-third below last year, while sales of soybeans are off 40 percent.

The following table compares accumulated exports and outstanding sales for similar periods in the 1987/88 and the 1988/89 marketing years as reported under FAS's Export Sales Reporting Program. Data for 1987/88 are as of Nov. 5, 1987, while data for 1988/89 are as of Nov. 3, 1988. Accumulated exports are commodities which have been sold and exported. Outstanding sales are commodities which have been sold but not yet exported. Data are measured in thousand units (metric tons/bales).

Commodity	Year beginning	Accumulated exports		Outstanding sales	
		87/88	88/89	87/88	88/89
Wheat	June 1	16,670	15,661	4,001	6,002
Rice	Aug. 1	684	368	381	411
Cotton	Aug. 1	1,063	699	3,656	2,354
Corn	Sept. 1	7,358	8,709	8,030	9,921
Grain sorghum	Sept. 1	935	1,101	1,033	1,016
Soybeans	Sept. 1	4,633	2,092	5,449	4,151

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GRAIN AND FEED

SOVIET UNION Purchases Feed Grains. The Soviet Union has been aggressively purchasing coarse grains on the world market in light of smaller supplies of feed quality wheat. The Soviet Union reportedly has purchased about 1 million tons of sorghum, about a half million tons each from the United States and Argentina. These are the first significant purchases of sorghum by the Soviet Union in four years. To date in 1988/89, the Soviet Union has purchased about 2.2 million tons of barley from the European Community (EC)-- equal to imports for all of 1987/88. The Soviet Union is buying sorghum and barley because of tight world supplies of feed quality wheat and low sorghum prices compared to corn. In spite of new Soviet purchases of U.S. sorghum, and 5.9 million tons of U.S. corn sales, EC barley sales to the USSR may dampen demand for U.S. feedgrains.

DAIRY, LIVESTOCK AND POULTRY

USSR Livestock Production Up, Numbers Down. For the first 9 months of 1988, USSR state and collective farms produced 4 percent more meat, milk and eggs, according to the U.S. agricultural counselor in Moscow. The report also showed that milk production per cow was up 5 percent while egg output per hen was up 3 percent. Livestock numbers on state and collective farms on October 1 were mostly below those of Oct 1, 1987. Cattle numbers were 94.6 million head of which 28.6 million were cows. Compared to Oct. 1, 1987, inventories were down 1.7 million and 0.3 million head, respectively. Hog numbers were reported at 60.7 million head, down 0.2 million, while sheep and goat numbers, at 127.7 million head, were essentially unchanged. Poultry holdings were reported to be 1 percent above 1987.

THAILAND'S Broiler Industry To Expand in 1988 and 1989. Broiler production in Thailand in 1988 is forecast at 487,000 tons, up 5 percent from 1987, according to the U.S. agricultural attache in Bangkok. Producers were hurt early in 1988 by higher feed costs due to a short 1987 corn crop and lower selling prices for broilers following discovery of insecticide residues in some export shipments. Imposition of government controls on farm use of insecticides, antibiotics and growth hormones, and a system of government inspections of production and slaughter facilities has largely restored market confidence but has also caused some loss of production efficiency. Stronger broiler prices and further expansion of contract production have caused the upturn in 1988 output and are forecast to cause a 8-percent production increase in 1989.

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WEEKLY EXCHANGE RATE DEVELOPMENTS

The dollar ended the week of November 14 down against all major foreign currencies, except for the Canadian dollar. However, massive intervention by the U.S. Federal Reserve Board and nine other central banks slow its descent.

Currencies	11/17/88	Current ----Percent change from-----		
		rate	week ago	month ago
	11/10/88	10/20/88	11/87	
Argentine austral	15.2900	1.87	2.14	336.86
Australian dollar	1.1625	-1.82	-4.73	-20.23
Brazilian cruzado	517.0000	5.85	25.24	782.30
Canadian dollar	1.2320	0.64	2.56	-6.41
South African rand	2.4040	-2.02	-1.56	21.77
Thai baht	25.0000	-0.79	-0.99	-2.14
ECU	0.8295	-2.36	-4.89	1.61
British pound	0.5471	-2.60	-3.51	-2.89
French franc	5.9045	-1.45	-4.07	3.48
West German mark	1.7270	-1.46	-4.09	2.68
Japanese yen	122.2700	-1.25	-3.77	-9.70
South Korean won	693.9000	-0.53	-2.27	-13.27
New Taiwan dollar	28.0400	-0.21	-2.98	-5.75

Exchange rates are spot as of 3 p.m. Eastern Time, November 17.

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Foreign Agricultural Service

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Selected International Prices

Item	:	November 22, 1988	:	Change from a week ago	:	A year ago
ROTTERDAM PRICES 1/		\$ per MT	\$ per bu.	\$ per MT	\$ per MT	
Wheat:						
Canadian No. 1 CWRS-13.5%.10/	208.50	5.67	-6.50		153.00	
U.S. No. 2 DNS/NS: 14%.10/	182.50	4.95	-5.00		144.50	
U.S. No. 2 S.R.W.11/	187.25	5.10	--		N.Q.	
No. 3 H.A.D.....12/	212.00	5.77	+13.00		152.00	
Canadian No. 1 A: Durum...	N.Q.	--	--		162.00	
Feed grains:						
U.S. No. 3 Yellow Corn.11/	131.50	3.34	-3.50		100.00	
Soybeans and Meal:						
U.S. No. 2 Yellow.....13/	292.50	--	-13.00		239.85	
Brazil 47/48% Soya Pellets13/	292.00	--	-7.00		260.00	
U.S. 44% Soybean Meal..14/	275.00	--	-5.00		254.00	
U.S. FARM PRICES 3/						
Wheat	142.92	3.89	-1.84		92.95	
Barley.....	93.70	2.04	-2.29		60.17	
Corn.....	95.28	2.42	-6.69		67.72	
Sorghum.....	81.57	3.70 2/	-5.51		58.64	
Broilers.....	1,271.61	--	+41.22		953.93	
EC IMPORT LEVIES						
Wheat 5/.....	156.81	4.27	+4.42		234.72	
Barley.....	147.67	3.22	+2.99		225.10	
Corn.....	163.71	4.16	+6.49		204.52	
Sorghum.....	169.22	4.30	+2.22		214.98	
Broilers 4/ 6/ 8/.....	521.00	--	+11.00		545.00	
EC INTERVENTION PRICES 7/ 9/						
Common wheat(feed quality)	206.32	5.62	+2.15		211.47	
Bread wheat (min. quality)	217.08	5.91	+2.26		222.47	
Maize.....	217.08	5.51	+2.26		222.47	
Barley and all other feed grains, excluding maize.	206.32	--	+2.15		211.47	
Broilers 4/ 6/.....	1,551.00	--	+23.00		1,645.00	
EC EXPORT RESTITUTIONS (subsidies)						
Wheat	N.A.	--	--		N.A.	
Barley.....	N.A.	--	--		N.A.	
Broilers 4/ 6/ 8/.....	594.00	--	+12.00		456.00	

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Changes may be due partly to exchange rate fluctuations and/or ECU payments. 10/ November/December delivery. 11/ December delivery. 12/ April/May delivery. 13/ November delivery. 14/ Spot market price. N.A.=None authorized. N.Q.=Not quoted.